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### 1. EDEN PROPOSES USERS' ASSOCIATION FOR SUEZ

25X1A

Eden's announcement before the House of Commons of plans for a users' association to control transit through the Suez Canal has been quickly followed by signs that transit may break down within a few days.

In Egypt, a spokesman for a majority of the non-Egyptian pilots announced they plan to quit Friday night. In anticipation of an early breakdown in traffic, British oil companies in London announced a halt to the chartering of tankers carrying oil from the Persian Gulf to Britain.

Foreign Minister Pineau on 12 September told Ambassador Dillon that the old canal company had agreed to keep those pilots who return to France available for the new users' association, and is already sending to Cyprus 60 pilots who have completed their vacations in Europe and have not returned to work.

Faced with Laborite demands for his resignation, Eden announced he would seek a vote of confidence on the proposed users' association. Laborites were evidently particularly disturbed by Eden's statement that Britain has no intention of relaxing its military build-up in the eastern Mediterranean since military action may still be necessary.

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5. REPORT CLAIMS VENEZUELAN TROOPS WILL TAKE OVER ARUBA ON 15 SEPTEMBER

According to a report received by the American consul on Aruba, revolutionary action on the island will be sparked by a strike at power and water plants at midnight on 15 September. The report asserted that within four hours, ten companies of Venezuelan troops would arrive to take over on the pretext that the govern-

The local police have informed the American consul that they would be powerless in the face of the reported plan, but additional Dutch police and marines are on the way to the island.

The consul notes that Irausquin, president of the Aruba legislative council, and Jonckheer, another political leader on Aruba, have had private meetings with the Venezuelan president in recent months. He adds that Venezuelan troop maneuvers with ferry boats have recently taken place in Venezuela on the Paraguana Peninsula, 15 miles from Aruba.

#### Comment

ment has lost control.

Despite nationalist sentiment in Venezuela which advocates the eventual incorporation of the island into Venezuela, there is no indication that Venezuela has ever contemplated direct armed action against the island.

Irausquin has been known as the chief advocate of closer economic relations between Aruba and Venezuela. He sponsors a workers' group which early this month reportedly planned to seek recognition as a union at the Lago refinery on Aruba. The refining facilities on Aruba are second only to those of Abadan, Iran, and, according to a July 1956 US navy report, supply over 50 percent of the fuel for the US navy and air force.

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# 7. BELGRADE MAY ADOPT ATTITUDE MORE CRITICAL OF SOVIET BLOC

According to British ambassador Roberts and other Western diplomats in Belgrade, Yugoslav leaders, including Vice President Kardelj, now realize they have "gone too far" in their uncritical sympathy with the Soviet bloc and in their disregard of the West's drifticism of Yugoslavia's posture.

Specifically, Yugoslav foreign under secretary Prica told Roberts that the USSR's unfavorable press treatment of Yugoslavia's recent trials of former "Cominformists" had caused the Yugoslavs to question their interpretation of "favorable developments in Eastern Europe." Prica said that a recent Yugoslav editorial attacking Cominform supporters, which had mentioned "various foreign papers," had in fact been directed specifically at Pravda. The latter had inaccurately reported the trials, and had sparked a series of articles on Yugoslav policy throughout the Satellites.

The American embassy notes that this is the first significant issue on which Belgrade has challenged Moscow since the joint Yugoslav-Soviet declaration in June.

Comment The dispute over the Cominformist trials harks back to the question of who was at fault in the 1948 Tito-Soviet split, hence is part of the large controversy between Belgrade and Moscow concerning the meaning of "national Communism." Belgrade feels that if Moscow means what it says about "many roads to socialism,"

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the trial of Yugoslav Cominformist "traitors" is none of Moscow's concern. The Yugoslavs were probably dissatisfied with the midsummer Soviet statements about the need for international Communist unity, especially since one Prayda editorial in mid-July attacked the "national Communism" concept by name.

The "many roads to socialism" concept and its concomitant, Satellite independence from Moscow, will probably be a long-term subject of pulling and hauling between Belgrade and Moscow. Although for the present the dispute does not appear serious enough to endanger the basic rapprochement, the Yugoslavs may take a less prosoviet line to obtain further concessions toward Satellite independence. This would have the corollary advantage of impressing the West that Belgrade is not being "taken in" by the USSR.

#### 8. HONDURAN CHIEF OF STATE RESIGNS

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Julio Lozano resigned as de facto chief of state of Honduras on 11 September after a second heart attack. Former president Juan Manuel Galvez, though reluctant, will probably agree to assume control of the government. Foreign Minister Mendoza believes the elections for a constituent assembly, set for 7 October, may now be postponed.

#### Comment

Galvez was a popular president, enjoys the support of key army officers, and will probably be able to maintain public order in a period of transition from de facto to constitutional government. He shares with Lozano the goal of forming a three-party constitutional government and may be able to reach agreement with political elements recently antagonized by Lozano.

An indefinite postponement of the constituent assembly elections might increase political discontent.